

Cost of Living in Missouri and Other States

The daily national newspaper, USA Today, published an article on January 30, 2019, by Michael B. Sauter. Mr. Sauter works for 24/7 Wall Street which offers financial news and commentary to USA Today. The headline was “Want to retire in comfort? Here’s what it costs in every state.” This was an attention grabbing headline for anyone working in a public pension fund to say the least.

We do not want regurgitate all of the information found in that article. Obviously where a person chooses to retire will impact their cost of living and knowing which states are more or less costly to retire may be of interest to our members. Additionally, we think our members may be curious to see where Missouri ranks in the list of states from most costly to live (i.e. number 1 on the list) to least costly (i.e. 50th on the list).

The author noted in his article that many senior citizens do not have the luxury of choosing where to spend their retirement. He went on to explain that this could be because retirees depend on younger family members or that relocating is too expensive.

The author also noted that according to the Bureau of Labor Statistics’ Consumer Expenditure Survey, Americans 65 and over spend 34.3% more per year on health care than the average U.S. consumer. They also, as might be expected, spend far less on what are often major expenses for younger Americans, such as education and childcare.

In order to determine what it costs to retire in every state, the author reviewed annual expenses at the state level as determined by the Bureau of Labor Statistics’ 2017 Consumer Expenditure Survey. He then reviewed data from the Economic Policy Institute’s Family Budget Calculator for a couple 65 or older with no dependents, which measures the income a family needs in order to attain a modest yet adequate standard of living at the metropolitan level. Using the Consumer Expenditure Survey’s differences in budgetary needs between the average American and residents 65 and over, he calculated the average annual retirement costs by state.

Before we get to the list, we thought the ranking of earnings and population in the states was interesting. For instance, the state with the highest annual earnings for households with someone over the age of 65 was Alaska. Conversely, West Virginia was the state with the lowest annual earnings for those same households. The state with the highest percentage of residents over the age of 65 was Florida while the one with the lowest was Utah. Believe it or not, Maine was the state with the second largest population of residents over 65.

Rather than list all fifty states, the chart on the next page includes the states surrounding Missouri, the highest cost state to live, the lowest cost state to live, and Missouri itself.

We hope you find the information useful.

State	Ranking (1 most expensive and 50 least expensive)	Estimated Annual Retirement Costs	Average Annual Earnings for 65+ Households	Average Annual Homeownership Costs for Seniors	Percentage of Residents over 65
Arkansas	50	\$36,378	\$22,276	\$11,112	16.5%
Kentucky	48	\$36,680	\$22,698	\$11,832	15.9%
Iowa	40	\$39,491	\$20,968	\$13,068	16.7%
Missouri	39	\$39,696	\$22,969	\$13,176	16.5%
Kansas	35	\$40,237	\$20,935	\$14,100	15.4%
Tennessee	33	\$40,855	\$23,518	\$12,720	15.9%
Oklahoma	29	\$41,296	\$21,927	\$12,756	15.3%
Nebraska	26	\$42,386	\$22,477	\$14,340	15.4%
Illinois	19	\$43,221	\$29,890	\$17,028	15.2%
Alaska	1	\$56,879.00	\$36,513.00	\$19,260.00	11.2%